



Driving cultural change and EBITDA improvements through active engagement between procurement and stakeholders

Establishing a rigorous process for procurement as part of a cross-functional team

The results

We helped our client align procurement and stakeholders behind a common set of goals, improve communication and break through functional silos to deliver the following results:

- Achieved savings of 5% against addressable spend
- Developed Supplier Relationship Management for implementation across top 30 suppliers
- Upskilled the procurement team and key stakeholders
- Implemented a new competitive tendering process
- Launched and managed 20 cross-functional teams to deliver savings and value
- Implemented sustainable cultural and operational change across the business
- Delivered a 50% EBITDA improvement
- Delivered a 3.5:1 ROI

This story is for PE firms and CEOs who:

1. Have functional silos, poor cash flow and are concerned about the maturity of their procurement function.
2. Believe that an outdated culture is harming their business.
3. Are not sure what strategic procurement best practice should look like.
4. Don't have full visibility of their procurement function's plans and activities.

The challenge

The private equity owners of one of the UK's largest suppliers of poultry products to the retail sector needed to significantly improve EBITDA. Over-capacity in the market and increasing pressure on margins from the major supermarkets had resulted in the company becoming uncompetitive and cash-poor. They invited us to go head-to-head with a traditional procurement consultancy they had previously worked with to identify opportunities for EBITDA and cash improvement.

Maine Pointe's positivity regarding the opportunity, seasoned individuals, implementation focus and ROI guarantee, swung the decision firmly in our favor.



Enabling cross-functional alignment

The company's CEO tasked Maine Pointe with helping him reduce bottom-line costs while relaunching the brand and growing the top line. He had already identified procurement as the first function to change. Our analysis confirmed that deep functional silos and a severely outdated culture were causing major problems, specifically within procurement. The function had become completely detached from other business areas and was failing to engage on any level with other internal stakeholders. As a result, there was a widespread lack of confidence in the procurement team.

Working closely with the CEO, our team set about breaking down these profoundly damaging silos and rebuilding the company culture to increase competitiveness and deliver savings. Our solution included:



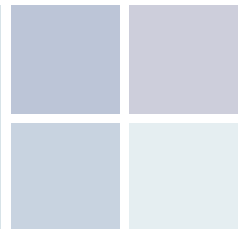
- Implementing Maine Pointe's six-step strategic procurement process
- Using that process to target key markets and engage positively with suppliers through a combination of robust RFI, RFP and negotiation events
- Engaging internal stakeholders in cross-functional team working with clear goals and value targets
- Encouraging stakeholders to put pressure on procurement to engage with them
- Carrying out an executive level ORCI to help the organization work in the right way
- Facilitating and managing 10 competitive tenders involving 80+ suppliers, most new to the client
- Implementing market reviews and analysis of 10 key sub-categories
- Selecting capable suppliers and carrying out pilot-line trials to ensure successful implementation
- Creating 'should-cost' models for each key sub-category to ensure sustainability of results
- Modeling usage scenarios based on evidence based analysis in key agricultural sub-categories

By implementing our robust methodology against a well-defined plan, we delivered significant cost savings that were not regarded as possible by senior management at the beginning of the engagement.

*"Our experience with Maine Pointe was a very positive one. Apart from the **significant financial benefit accruing from our procurement and supply chain engagement**, we will continue to benefit from the up-skilling of staff, process innovation and change mentality the engagement delivered. Maine Pointe are professional partners, focused on delivery and making the results stick. I have no hesitation in recommending Maine Pointe to others."* CEO

Lessons Learned for Other Executives

- Procurement must be actively engaged with key stakeholders across the business to deliver value
- If you don't have visibility of a schedule demonstrating that procurement is actively running competitive processes on a regular basis, you should be concerned
- If you expect cultural change you need to have both the CEO and key operational executives aligned to that message and be prepared to make tough decisions



Want to **improve competitiveness**, break through functional silos and **enhance revenue opportunities** in your business?

Talk it through with one of our executives

Email info@mainepointe.com to arrange a call

About Maine Pointe

Maine Pointe is an operational implementation focused consulting firm that accelerates measurable performance improvements in both EBITDA and cash flow for chief executives and private equity firms around the world. As specialists in procurement, logistics and operations, Maine Pointe is uniquely positioned to accelerate measurable improvement across the buy-make-move-fulfill supply chain to deliver the greatest value to customers and investors at the lowest cost to business through Total Value Optimization™.

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